

Security Agreement

FOR VALUE RECEIVED, undersigned, GBGC Family Golf Centers, Inc.
(together with its permitted successors and assigns, heirs and personal representatives, "Debtor"), a(n) Corporation, hereby assigns and pledges to NATIONAL CITY BANK OF PENNSYLVANIA (together with its successors and assigns, "Secured Party"), a national banking association, and grants to it, a first priority security interest and lien prior to all other security interests and liens in and to:

(a) all of the Debtor's right, title and interest in and to the following property wheresoever located and in whatever form such property may take (capitalized terms used herein but not otherwise defined shall have the meaning given to them by the Pennsylvania Uniform Commercial Code) :

(i) all tangible and intangible personal property (except any consumer goods) in which Debtor now has or hereafter acquires any rights or interests, including, without limitation, all General Intangibles (including, all rights to payment against any one or more persons, whether suppliers or creditors of Debtor or otherwise), Accounts, (including, open accounts), Accounts Receivables and any other monies owing to the Debtor, Inventory (including returned or repossessed goods), Chattel Paper, Documents, Equipment, Goods, Machinery, Contract Rights, Farm Products, Instruments, Investment Properties; and

(ii) all Fixtures and each and every item of personal property, which the Debtor now owns and that which it hereafter acquires, whether subsequently acquired by way of substitution, replacement, return, repossession or otherwise; and

INITIALS: WTH ~~(iii) the following Instruments, Letters of Credit, and advices of credit of Debtor, all of which, duly endorsed by Debtor or accompanied by appropriate forms of assignment duly executed by Debtor, have been delivered to Secured Party, and none of which are subject to the terms of Regulation U as promulgated by the Board of Governors of the Federal Reserve System, together with all income and all cash and other dividends paid upon, all Instruments, Letters of Credit, and advices of credit incident to the foregoing, Debtor hereby agreeing promptly to deliver all of the same, except cash dividends, to Secured Party forthwith after receipt by Debtor of the same, duly endorsed by Debtor, accompanied by appropriate forms of assignment duly executed by Debtor:~~

~~N/A~~

~~; and~~

~~(iv) life insurance policies of Debtor insuring the lives of Debtor's key employees, all of which, accompanied by appropriate assignment forms duly executed by Debtor, have been delivered to Secured Party; and~~

(v) the following property: Baptist and Hamilton Roads, Bethel Park, PA 15102

~~(vi) the following vehicles: N/A~~

~~together with all attachments, accessories, replacements, and substitutions therefor, whether now or hereafter installed therein or affixed thereto; and~~

~~(vii) the following certificated securities:~~

~~N/A~~

~~together with all substitutions therefore, additions thereto, proceeds thereof, and all interest, dividends, stock rights, stock dividends, liquidating dividends, new securities and other property to which the Debtor may become entitled by reason of ownership of such property, and all other securities hereafter delivered by Debtor to Bank; and~~

(b) all Proceeds (cash and non-cash) of all of the property listed in paragraph (a) above, and with respect to said items, all products thereof and all additions and accessions to and replacements of, insurance proceeds, and documents covering such items and all property received wholly or partly in trade or exchange for property mentioned in paragraph (a) above, and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition of such property or any interest therein, whether or not they constitute Proceeds as defined in the Pennsylvania Uniform Commercial Code; and

(c) all ledger receipts, books, records, and documents concerning any of the items specified in paragraphs (a) and (b) above, including all computer records, programs, storage media, and computer software used or required in connection with generating, processing, and storing such records or otherwise used or acquired in connection with documenting information concerning the items of collateral set forth in paragraphs (a) and (b) above, both that which Debtor now owns and that which Debtor acquires hereafter

(all of the aforesaid property in which Secured Party is granted a security interest hereunder being hereinafter collectively called the "Collateral").

This Security Agreement and the Collateral secure the full and prompt payment of the principal of and interest on each and every loan made by Secured Party to Debtor, if any, and each and every other liability and obligation of Debtor to Secured Party, of every type and description, joint or several, direct or indirect, absolute or contingent, due or to become due, now in existence, those incurred or arising contemporaneously herewith, and those that shall hereafter be incurred or arise (collectively, "Secured Debt").

Debtor hereby covenants and agrees with Secured Party as follows:

1. Debtor shall maintain in good condition and repair and shall protect and preserve the Collateral and, if any part thereof is Inventory, Equipment, Goods which have become Fixtures, or Farm Products, shall insure such part against all risks to which such part may be exposed, including, without limitation, fire, flood, theft and collision, in such amounts as Secured Party may require, and any loss shall be payable to Secured Party as its interest may appear. Debtor warrants that Debtor has and will continue to have good and marketable title to the Collateral, free and clear of all liens, encumbrances and security interests, except those created hereby and other security interests of Secured Party therein, and agrees to preserve such unencumbered title and Secured Party's security interest in the Collateral and to defend it against all parties. Risk of loss of, damage to, or destruction of the Collateral shall be the responsibility of Debtor, although Secured Party shall exercise reasonable care in the custody and preservation of the Collateral in its possession. Secured Party shall be deemed to have exercised such reasonable care if it takes such action for that purpose as Debtor shall reasonably request in writing, but no omission to do any act not requested by Debtor shall be deemed a failure to exercise reasonable care, and no omission to comply with any request of Debtor shall of itself be deemed a failure to exercise reasonable care. Debtor shall execute and deliver to Secured Party any financing statements, continuation statements, assignments, or other instruments, or take any other action deemed necessary by Secured Party to perfect or continue the perfection of its security interest in the Collateral. Secured Party is hereby irrevocably appointed an attorney-in-fact of Debtor to do all acts and things which Secured Party may deem necessary or advisable to perfect and continue perfected its security interest in the Collateral. Debtor shall maintain Debtor's chief executive office and all of Debtor's other offices, plants and places of business in the Commonwealth of Pennsylvania. Debtor shall keep all Debtor's Inventory, Equipment, Chattel Paper, Goods which have become Fixtures, Farm Products, and other property, except that in possession of Secured Party, and books and records in such offices, plants and places of business. The address of the chief executive office of Debtor is listed below Debtor's signature hereto, as are the addresses of any other offices, plants and places of business maintained by Debtor, each such office, plant and place of business being located in the county set opposite such address. Debtor shall give written notice to Secured Party at least thirty (30) days in advance of any changes in such addresses, the establishment of any additional office, plant or place of business, and any proposed change in Debtor's name.

2. If the Collateral or any part thereof is or shall be a motor vehicle for which a certificate of title may or must be issued under the laws of the state in which such motor vehicle is registered, Debtor shall deliver to Secured Party, promptly after such certificate of title together with any other documentation requested by Secured Party is issued to Debtor, the said certificate of title together with any other documentation requested by Secured Party appropriately executed by Debtor, so that Secured Party may cause the statement of Secured Party's security interest to be noted as a lien or encumbrance on the said certificate of title by the appropriate authorities responsible for motor vehicle registration.

3. At any time and from time to time, whether any of the Secured Debt shall be then due and payable, Secured Party, at its option and at the expense of Debtor, may (a) transfer into its own name, or into the name of its nominee, all or any part of the Collateral, thereafter receiving all dividends, income or other distributions upon the Collateral; (b) notify the obligor on any of the Collateral, whether Accounts or otherwise, to make payment thereon directly to Secured Party, whether or not Debtor was theretofore making collections thereon; (c) inspect the books and records of Debtor and make extracts therefrom; (d) take control of and manage all or any of the Collateral; (e) apply to the payment of any of the Secured Debt, whether or not the same shall be then due and payable, any moneys, including cash dividends and income from any Collateral, now or hereafter in the hands of Secured Party, on deposit or otherwise, belonging to Debtor, as Secured Party in its sole discretion shall determine; (f) do anything which Debtor is required but fails to do hereunder, and in particular Secured Party may, if Debtor fails to do so, (a) insure or take any reasonable steps to protect the Collateral, (b) pay all taxes, levies, expenses and costs arising with respect to the Collateral, or (f) pay any premiums payable on any policy of insurance required to be obtained or maintained hereunder, and add any amounts paid under this Section 3 to the principal amount of the Secured Debt; (g) direct any insurer to make payment of any insurance proceeds, including any returned or unearned premiums, directly to Secured Party, and apply such moneys to any of the Secured Debt in such order or fashion as Secured Party may elect; (h) inspect the Collateral at any reasonable time; (i) pay any amounts Secured Party elects to pay or advance hereunder on account of insurance, taxes or other costs, fees or charges arising in connection with the Collateral, either directly to the payee(s) of such cost, fee or charge, directly to Debtor, or to such payee(s) and Debtor jointly. Notwithstanding the rights of Secured Party set forth under this Section 3, no obligation to perform any of the foregoing actions or to exercise any of the foregoing rights shall be required by Secured Party, and Secured Party's failure to so act or to so exercise shall not result in any liability on the part of Secured Party.

4. This Security Agreement has been entered into under and pursuant to the Pennsylvania Uniform Commercial Code, and Secured Party has all the rights and remedies of a secured party thereunder. If any one or more of the provisions hereof should for any reason be invalid, illegal or unenforceable in any respect, the remaining provisions contained herein shall not in any way be affected or impaired thereby, and such invalid, illegal, or unenforceable provision shall be deemed modified to the extent necessary to render it valid while most nearly preserving its original intent.

5. Any delay or omission by Secured Party to exercise any rights or powers arising from any default or any partial exercise thereof shall not impair any such rights or powers, nor shall the same be construed to be a waiver thereof or any acquiescence therein, nor shall any action or non-action by Secured Party in the event of any default alter or impair the rights of Secured Party in respect of any subsequent default, or impair or affect any rights or powers resulting therefrom. This Security Agreement shall remain in full force and effect until such time as all Secured Debt has been paid in full.

6. (a) In case of any default hereunder with respect to any of the Secured Debt or in case any of the Secured Debt matures, whether by declaration, acceleration or otherwise, and remains unpaid, then Secured Party shall have the full power and authority to proceed to exercise any one or more of the rights accorded to it by the Pennsylvania Uniform Commercial Code or otherwise accorded to it by law, including the right to require Debtor to assemble any of the Collateral and make it available to Secured Party at a place designated by Secured Party and reasonably convenient to both parties. The proceeds of any collection, sale or other disposition of the Collateral or any part thereof shall, after Secured Party has made all deductions of reasonable expenses, including but not limited to reasonable attorneys' fees and other expenses incurred in connection with repossession, collection, sale, or disposition of the Collateral or in connection with the enforcement of Secured Party's rights with respect to the Collateral in any insolvency, bankruptcy or reorganization proceedings, be applied against any of the Secured Debt, whether or not all the same shall be then due and payable, in such manner as Secured Party shall in its sole discretion determine.

(b) If any notification of intended sale of any of the Collateral is required by law, such notification shall be deemed reasonable if mailed at least ten (10) days before such sale, postage prepaid, addressed to Debtor at the address set forth immediately below Debtor's signature(s) hereto.

7. Upon any negotiation, sale or assignment of any of the Secured Debt by Secured Party, Secured Party may deliver or assign the Collateral hereunder or any part thereof to the transferee or purchaser, who thereupon shall have and may exercise all powers, rights and options in respect of such Collateral and otherwise hereby given to Secured Party, and the person who thus negotiates, sells or assigns any of such liabilities of Debtor secured hereby shall thereafter be forever relieved and fully discharged from any liability or accountability in respect to such Collateral. Debtor agrees to pay all costs and expenses, including attorneys' fees, incurred by Bank in selling or disposing of the Collateral, which Collateral may be sold or disposed of by Bank through Bank's securities brokerage affiliate.

8. All notices, statements, requests, and demands given to or made upon Debtor by Secured Party shall be given or made to Debtor at the address of Debtor's chief executive office set forth below Debtor's signature hereto.

(remaining portion of page intentionally left blank)

IN WITNESS WHEREOF, Debtor, intending to be legally bound, has executed this Security Agreement on the _____ day
of October 20, 19 98 with the intention that this agreement shall constitute a sealed instrument

WITNESS:

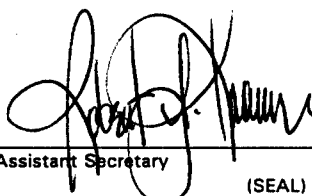
(Individual) (SEAL)

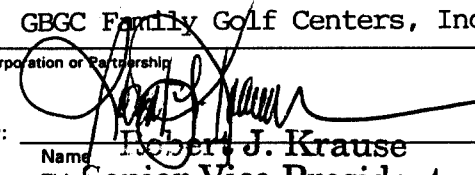
Address

(Individual) (SEAL)

Address:

ATTEST:

By: 
Secretary/Assistant Secretary (SEAL)

GBGC Family Golf Centers, Inc.
Corporation or Partnership
By: 
Name Robert J. Krause (SEAL)
Title Senior Vice President

Address:
Baptist and Hamilton Roads
Bethel Park, PA 15102

Corporation or Partnership

By: _____
Secretary/Assistant Secretary (SEAL)

By: _____ (SEAL)
Name
Title

Address:

Address of chief executive office, including county where located:

Baptist and Hamilton Roads, Bethel Park, PA 15102 - Allegheny County

Addresses of other offices, plants, places of business and locations of Collateral, including counties where located:

